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Executive Board of the United Nations Entity for Gender Equality and the Empowerment of Women

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Integrated budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women for the biennium 2016-2017

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the Executive Director on the integrated budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) for the biennium 2016-2017 (UNW/2015/9). During its consideration of the report, the Committee met with the Executive Director, who provided additional information and clarification.

II. Integrated budget

A. Overview of resources

2. The Executive Director projects an integrated budget of $880 million for the biennium 2016-2017, representing an increase of $188 million, or 27 per cent, compared with its resource mobilization targets for the biennium 2014-2015. In this regard, the Executive Director requests the Executive Board to approve an appropriation of $196.4 million (gross) for its institutional budget, representing an increase of $19.5 million, or 11.1 per cent, compared with its request of $176.9 million for 2014-2015. Table 1 of the budget report shows the integrated resource plan for 2016-2017.

3. The UN-Women budget for 2016-2017 remains aligned with the harmonized results-based-budgeting and cost classification methodology applied by the United Nations Development Programme, the United Nations Children's Fund and the

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United Nations Population Fund. The cost classification allocates costs to: (a) development activities (split between programme and development effectiveness); (b) United Nations development coordination; (c) management activities; and (d) special-purpose activities (see UNW/2013/7, para. 40). It is also indicated, however, that UN-Women still maintains a two-year budget cycle, unlike the other agencies, which have a four-year cycle. This reflects the Entity's preference to more frequently monitor its resource structure and organizational requirements.

4. As indicated in paragraph 40 of the report, the proposed budget for 2016-2017 was prepared in accordance with the priorities of the strategic plan, 2014-2017 (see UNW/2013/6). The strategic context of the budget is set out in paragraph 11 of the report, in which are mentioned such major intergovernmental processes as the Beijing Platform for Action and the Political Declaration adopted at the twenty-third special session of the General Assembly, the post-2015 development agenda and the sustainable development goals, including a proposed stand-alone, comprehensive and transformative goal to advance gender equality and women's empowerment, the global review of the implementation of Security Council resolution 1325 (2000) and the recommendations set out therein, the Third International Conference on Financing for Development and its outcome, emphasizing transformative financing for gender equality commitments, and the climate change agreement, which is expected to integrate gender equality and women's empowerment in all aspects of a legally binding agreement.

B. Resource mobilization

5. The report indicates that resource mobilization remains a priority for UN-Women as it seeks to ensure capacity adequate for the delivery of its mandate. According to the information provided, in 2014 UN-Women achieved for the first time, and slightly exceeded, its target voluntary contributions. Furthermore, the projected amount of $880 million in voluntary contributions is close to the resource mobilization target under the strategic plan of $900 million during the biennium 2016-2017. From figure I of the budget report, the Advisory Committee notes the steady increase in projected resources from the time of the establishment of the Entity in 2011 through the biennium 2016-2017.

6. Upon enquiry, the Advisory Committee was informed that the private sector unit in the Strategic Partnerships, Advocacy, Civil Society Communications and Resource Mobilization Division was currently staffed with three posts. An additional P-3 post was being proposed in the 2016-2017 budget to enable the team to dedicate capacity and expand its engagement with the growing number of private sector partners. The post would provide dedicated relationship management to key new private sector accounts and support to the entire UN-Women network. With more than 30 prospective private donors, including corporations, foundations and high-net-worth individuals, the Entity requires the increased capacity to match the growing opportunities presented by the private sector. **The Advisory Committee recommends approval of the proposed post.** The Committee's further comments and observations on posts are contained in paras. 19-24 below.

7. **The Advisory Committee commends UN-Women for its efforts to broaden and deepen its resource base, including by engaging with the private sector, in order to ensure voluntary contributions sufficient to fund its activities.**

C. Alignment of funding for the normative and operational functions of UN-Women with General Assembly resolution 65/259

8. The Advisory Committee recalls that in its resolution 65/259, the General Assembly requested the Secretary-General to further elaborate, in the proposed programme budget for the biennium 2012-2013, on the normative intergovernmental processes undertaken by UN-Women to implement its mandate in order to specify whether the activities of the Entity, including administrative, evaluation, coordination, research and analytical policy functions, would support or be considered normative intergovernmental processes, operational intergovernmental processes and operational activities or a combination thereof. The Assembly also requested the Secretary-General to reflect in the proposed programme budget for the biennium 2012-2013, on the basis of that information, the necessary budget allocation so as to ensure an appropriate source of funding of the financial resources required, including the funding of senior-level posts. The Committee also recalls that, in paragraph 13 of its decision 2011/1, the Executive Board requested that the integrated budget for 2012-2013 reflect the analysis conducted pursuant to resolution 65/259.

9. The Advisory Committee recalls that the conclusion of the requested analysis, which was summarized in the proposed programme budget of UN-Women for 2014-2015 (A/68/6 (Sect. 17)), was that in the majority of instances, administrative, evaluation, coordination, research and analytical policy functions all contributed to a combination of normative intergovernmental, operational intergovernmental and operational processes and activities. The Committee, in the context of its consideration of the Entity's 2014-2015 budget proposal, noted that the analysis did not constitute a satisfactory response to the request of the General Assembly. The Committee therefore recommended that the Assembly request the Secretary-General to further develop the analysis requested in resolution 65/259 and to present his findings in the context of the proposed programme budget for the biennium 2016-2017 (A/68/7, para. IV.140). The Committee also recommended that the Executive Board request UN-Women to further develop the analysis and present its findings to the Board at its next session (UNW/2013/8, para. 8).

10. During its consideration of the 2016-2017 budget proposal, the Advisory Committee was informed that, while the normative functions of UN-Women had increased significantly owing to the Entity's support to various intergovernmental processes, its regular budget resources had not increased. In this connection, the Committee was informed that, in the Policy Division, only 17 out of the 79 posts were funded from the regular budget and that 23 posts funded from extrabudgetary resources were undertaking normative functions at least 50 per cent of the time in the areas of women's leadership and governance; women and peace and security; ending violence against women; research and data; HIV/AIDS; gender-responsive budget; and statistics and monitoring. Similarly, the Committee was informed that, in the United Nations System Coordination Division, three posts funded from extrabudgetary resources were responsible for normative functions.

11. **The Advisory Committee notes that the integrated budget proposal does not contain any analysis in addition to that presented in the 2014-2015 budget proposal and that there remains a lack of clarity with regard to the funding model of the Entity. The Committee is of the view that more could be done to assess the activities of UN-Women and that a model that better addresses the requests contained in paragraphs 8 and 9 of General Assembly resolution 65/259 and paragraph 13 of Executive Board decision 2011/1 should be developed. In that regard, the Committee reiterates its recommendation that the Executive Board request the Executive Director to further develop the analysis requested in resolution 65/259 and present her findings to the Board no later than in its 2018-2019 budget proposal. Furthermore, the Committee is of the view that the analysis should include a review of the staffing structure of UN-Women in order to better align the funding for the Entity's normative and operational functions with resolution 65/259.**

D. Progress in efficiency and effectiveness

12. In section III of the report, the implementation of various initiatives aimed at improving accountability, transparency, efficiency and effectiveness in the management of the Entity's resources and delivery of services is highlighted. Such measures include the development of a streamlined human resources information system to strengthen the delivery of human resources services, the strengthening of information security and business continuity processes and the roll-out of a new integrated cloud-based solution for e-mail, communications, collaboration and content management. It is also indicated that, in 2014, UN-Women launched a business efficiency project, which represents a focused effort on a set of work streams that should improve information and communications technology systems and business processes and enhance management information from the Entity's core enterprise resource planning system. It is also indicated that UN-Women will draw from existing resources and not request the Executive Board for any additional funding to sustain those improvements.

13. As for the implementation of audit recommendations, the report indicates that UN-Women has implemented 16 of the 17 recommendations issued by the United Nations Board of Auditors for 2012 and 9 of the 12 recommendations issued for 2013, with the remaining ones on track for implementation. It is also indicated that, starting in 2014, a harmonized annual audit approach for selected non-governmental, governmental and intergovernmental organizations that implement UN-Women projects was adopted for the grant projects funded by the Fund for Gender Equality and the United Nations Trust Fund to End Violence against Women, and that the services of an international audit firm were engaged through a long-term agreement to carry out the audit of selected UN-Women programme and grant projects worldwide.

14. **The Advisory Committee commends UN-Women for its efforts aimed at improving operational efficiency and effectiveness. The Committee looks forward to receiving more concrete qualitative and quantitative information on the impact of these measures in future reports to the Executive Board.**

E. Regional architecture

15. It is indicated in the report that UN-Women has now completed the implementation of its regional architecture as approved by the Executive Board in its decision 2012/6 and has started realizing the benefits in terms of organizational effectiveness and efficiency. The report further indicates that the regional architecture comprises 6 regional offices (Egypt, Kenya, Panama, Senegal, Thailand and Turkey), 6 multi-country offices, 47 country offices and a programme presence in 30 countries, with a total of 507 staff in the field as at 20 November 2014, up from 252 in May 2012. It is also indicated that an independent evaluation of the regional architecture will be undertaken in 2015 and 2016 in order to determine any future refinements (see paras. 12 and 44 and annex II).

16. The Advisory Committee notes from the budget report that the demand for UN-Women support and engagement continues to grow, as have the requests from Member States to establish new country offices. Upon enquiry, the Committee was informed that the regional architecture allows for a wide range of models of support, ranging from full country offices to remote technical support. Furthermore, it was explained that any requests for new offices are assessed in accordance with established criteria, based on which UN-Women has identified only two instances, Indonesia and Somalia, where opening a new office would be the most prudent course of action. In other instances, the Committee was informed that UN-Women has proposed alternative models of support, such as programmatic activities managed by project staff where there is no in-country resident representative or where UN-Women provides only remote technical support.

F. Institutional budget

17. As indicated in paragraph 2 above, a gross appropriation of $196.4 million is proposed for the institutional budget for 2016-2017, representing an increase of 11 per cent over 2014-2015, driven mainly by the proposed addition of 31 posts. Other factors include the inflation rate, a 2 per cent increase in staff salaries and a 1.6 per cent decrease in vacancy rates. A breakdown of the proposed budget by major category of expenditure is provided in the annex.

Staff costs

18. Staff costs are projected to increase by $13.9 million, from $125.8 million in the approved institutional budget for 2014-2015 to $139.7 million in 2016-2017, comprising non-discretionary (salaries) and discretionary (new posts and vacancy rate changes) cost factors.

New posts

19. The 31 new posts (20 international, 5 national and 6 general service) are proposed to strengthen the Entity's presence at the country level and also to strengthen institutional capacities for coordination and gender mainstreaming, strategic partnerships and resource mobilization, civil society and legal and procurement support. An outline of the distribution of the new posts is provided in paragraphs 46 to 49 of the report and a justification of the request is provided in paragraphs 76 to 78. It is indicated that 19 of the 31 posts are proposed in support of

the field structures for 9 field offices, namely, Burundi, Sierra Leone and the Sudan, which until now have had no institutional budget posts, Indonesia and Somalia, which are to be established, and four field offices (Bangladesh, Egypt, Kenya and Mali) that do not have a post of Deputy Head of Office. It is further indicated that, of the remaining 12 posts, 6 are requested for headquarters-based requirements to enhance support to field offices and 6 are requested to provide a minimum capacity for the evaluation function.

20. Upon enquiry, the Advisory Committee was informed that 18 of the 31 posts would be newly established and that 13 were already in existence. According to the budget proposal, the funding for these 13 existing posts would be transferred from core programmable resources to the institutional budget. Upon request, the Committee was provided with job descriptions for the 31 proposed posts.

21. **The Advisory Committee recommends approval of the 31 new posts proposed under the institutional budget for 2016-2017.**

Post upgrades

22. It is also proposed that three posts be upgraded from the P-5 to the D-1 level, as follows:

(a) Chief of Communications and Advocacy. It is indicated that owing to the exponential increase in advocacy and outreach work, the communications function has grown rapidly and has assumed strategic importance, especially in terms of ensuring high visibility, proper branding and strategic positioning of the Entity in different types of media, as well as communicating and engaging at a high level with various audiences;

(b) Chief of Civil Society and Leadership. It is indicated that, in view of the growing profile of UN-Women, the incumbent not only has the primary responsibility of engaging with the Entity's civil society partners in relation to the Commission on the Status of Women and other contexts, but is also the focal point for UN-Women's global Civil Society Advisory Group mechanisms at the global, regional and national levels and is responsible for strengthening UN-Women's engagement with civil society. Upon enquiry, the Advisory Committee was informed that, in addition to its extrabudgetary functions, the post proposed for upgrade had been identified as serving normative functions, which should be funded from the regular budget;

(c) Chief of Policy, Research and Data. It is indicated in the report that the incumbent has wide-ranging responsibility to provide the data that form the basis of the Entity's advocacy and policy work, including researching and producing UN-Women's two flagship reports: *Progress of the World's Women* and *World Survey on the Role of Women in Development*, commissioning and publishing cutting-edge policy-relevant research; and leading work on gender statistics. In addition, the Advisory Committee was informed, upon enquiry, that the upgrade would complete the alignment process by which all posts of Section Chief are at the D-1 level.

23. Upon enquiry as to whether the posts proposed for upgrade had been classified, the Advisory Committee was informed that UN-Women jobs had been classified in accordance with International Civil Service Commission standards. The Committee was further informed, however, that the posts would be classified only after they had been approved by the Executive Board.

24. **The Advisory Committee notes that the proposals referred to in paragraph 22 above have been presented without any supporting quantitative details that could have facilitated an objective assessment of the reported growth in their respective functions and levels of responsibility. Furthermore, the Committee is of the view that new posts should be classified and their functional levels established before they are presented to the Executive Board for approval. The Committee is also of the view that any proposal to upgrade such senior-level posts should only be considered bearing in mind the pending review of the staffing structure of UN-Women in order to better align the funding for the Entity's normative and operational functions with the provisions of General Assembly resolution 65/259, which calls for appropriate funding for senior-level posts** (see para. 11 above). **Therefore, the Committee trusts that the Executive Director will present the foregoing information to the Executive Board at the time of its consideration of the 2016-2017 integrated budget.**

Vacancy rates

25. It is indicated in paragraph 69 of the report that a 5 per cent vacancy rate has been applied to the staff costs in the institutional budget, a reduction from the approved rate of 7 per cent for 2014-2015, on the assumption of a higher rate of post occupancy as the Entity matures. It is also indicated that this decrease in the vacancy rate has increased the estimate for staff costs by $2.8 million. Upon enquiry, the Advisory Committee was informed that the average vacancy rate was 20.1 per cent for the biennium 2012-2013 and 14.6 per cent for 2014-2015 up to February 2015. The Committee was also informed that, as at 31 March 2015, 61 integrated budget and regular budget posts were vacant, which would translate to a vacancy rate of 12.8 per cent. **Taking into account the actual average vacancy rates during the last two bienniums, the Committee is of the view that the rate of 5 per cent budgeted for 2016-2017 is not realistic and therefore recommends that a higher vacancy rate of 10 per cent be applied to the estimates for staff costs.**

Non-staff costs

26. The report indicates that tight control has been maintained within the non-staff cost category, with no overall increase proposed other than for the non-staff elements associated with the establishment of new offices, for a total of $2.8 million, and inflation. The requirements comprise $1.3 million in non-staff costs related to the new posts requested for five field offices (see para. 19 above) and $1.5 million for the evaluation function. **The Advisory Committee recommends approval of the non-post resources proposed for 2016-2017.**

III. Conclusion

27. **Subject to its recommendations in paragraph 25 above, the Advisory Committee recommends approval of the integrated budget estimates of UN-Women for the biennium 2016-2017 and also recommends that the Executive Board approve an appropriation in the amount of $189 million (gross), including $27 million for cost recovery for other resources. The Committee further recommends that the Executive Board authorize the Executive Director to allocate the excess extrabudgetary income to the support of management activities.**

Annex

Proposed integrated budget for 2016-2017, by major category of expenditure

(Millions of United States dollars)

Category of expenditure	*Amount*	*Percentage*
Post costs	**139.7**	**71**
Non-post costs		
Reimbursements to the United Nations (including resident coordinators and the Department for General Assembly and Conference Management)	3.4	2
Reimbursements to the United Nations Development Programme	6.3	3
Other reimbursements to the United Nations and the United Nations Development Programme	2.4	1
Rent (New York)	7.1	4
Atlas enterprise resource planning system	2.6	1
Evaluation costs	1.5	1
Field office operating costs	17.3	9
Information support technology (including all costs, infrastructure and licences)	6.8	3
Headquarters operating costs	6.9	4
Security (compliance with minimum operating security standards)	2.4	1
Subtotal, non-post costs	**56.7**	**29**
Total integrated budget	**196.4**	**100**